

TYPE OF LOAN:  
RRH .....   
RCH .....   
LH .....

APPRAISAL REPORT FOR MULTI-UNIT HOUSING

PART A. PROPERTY IDENTIFICATION

Borrower \_\_\_\_\_  
Property Address \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Current Sale Price (if applicable) \$ \_\_\_\_\_ Date of Sale \_\_\_\_\_ Loan Requested \$ \_\_\_\_\_

Terms of Sale \_\_\_\_\_

Property Rights Appraised:  Fee  Leasehold  Other

INSTRUCTIONS TO APPRAISER: The purpose of this Appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he/she considers his/her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in cash or its equivalent; (5) typical financing in the community, as provided by Government subsidized loan/grant rates and terms or conventional lending rates and terms; (6) the price represents a normal consideration for the property sold, utilizing conventional or Government financing, unaffected by other special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

NOTE: Rural Development does not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information: \_\_\_\_\_

PART B. ATTACHMENTS

Attach information for items 1, 2, 5, 6, 7, 8, 9, attach additional items and check box if considered appropriate for this Appraisal.

- 1.  Descriptive photographs of subject property
- 2.  Descriptive photographs of street scene in neighborhood
- 3.  Photographs of \_\_\_\_\_
- 4.  Aerial photograph
- 5.  Sketch or floor plan of typical units
- 6.  Owner's current certified rent roll if existing or pro forma if proposed or incomplete
- 7.  Owner's income and expense statement 20\_\_ or pro forma income and expense statement
- 8.  Map(s) \_\_\_\_\_
- 9.  Plot plan or survey with legal description
- 10.  Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)
- 11.  \_\_\_\_\_
- 12.  \_\_\_\_\_
- 13.  \_\_\_\_\_

PART C. SUMMARY OF SALIENT FEATURES

TOTAL NUMBER OF APARTMENT UNITS ..... \_\_\_\_\_

CONSTRUCTION:  Existing Property, Approx. Year Built 19 \_\_\_\_  Proposed Construction  Under Construction

DATE OF APPRAISED VALUE ..... \_\_\_\_\_

ESTIMATED MARKET VALUE (SEE PAGE 10 FOR CONDITIONS AND REQUIREMENTS) ..... \$ \_\_\_\_\_

Value: Per Unit \$ \_\_\_\_\_, Per Room \$ \_\_\_\_\_, Per Sq. Ft. of Building Area \$ \_\_\_\_\_

GROSS ANNUAL INCOME MULTIPLIER ..... \_\_\_\_\_

OVERALL CAPITALIZATION RATE ..... \_\_\_\_\_ %

FORECASTED GROSS ANNUAL ECONOMIC INCOME ..... \$ \_\_\_\_\_

VACANCIES: Actual No. Vacant \_\_\_\_\_ Percentage of Total Units \_\_\_\_\_ %

Projected Percentage of Forecasted Gross Annual Economic Income \_\_\_\_\_ % ..... \$ \_\_\_\_\_

FORECASTED ANNUAL EXPENSE AND REPLACEMENT RESERVES ( \_\_\_\_\_ % of Forecasted Gross Annual Economic Income) ..... \$ \_\_\_\_\_

FORECASTED NET ANNUAL INCOME FROM REAL PROPERTY ..... \$ \_\_\_\_\_

PARKING RATIO ..... \_\_\_\_\_ spaces/unit

**PART D. SUMMARY OF NEIGHBORHOOD AND PROPERTY**

Neighborhood	Good	Aver.	Fair	Poor
Employment Stability of Immediate Location				
Convenience to Employment Centers				
Protection from Detrimental Conditions				
Adequacy of Shopping Facilities				
Adequacy of Public Transportation				
Adequacy of Utilities				
Police and Fire Protection				
Recreational Facilities				
Property Compatibility				
General Appearance of Properties				
Appeal to Market				

Property	Good	Aver.	Fair	Poor
Architectural Attractiveness				
Landscaping				
Quality of Construction <i>(Materials &amp; Finish)</i>				
Condition of Exterior				
Condition of Interior				
Room Size and Layout				
Closets and Storage				
Light and Ventilation				
Overall Livability				
Compatibility to Neighborhood				
Overall Appeal and Marketability				

**PARTE. AREA DATA**

The  City  County  Area population is approximately \_\_\_\_\_

Population:  Increasing \_\_\_\_\_% per year  Stable  Decreasing \_\_\_\_\_% per year

Describe the economic base which contributes a major influence on the stability of real estate \_\_\_\_\_

Discuss employment stability \_\_\_\_\_

Rent Control:  Yes  No Comment \_\_\_\_\_

Are local Government agencies discouraging apartment development?  Yes  No Comment \_\_\_\_\_

General comments, if applicable \_\_\_\_\_

**PARTE. NEIGHBORHOOD AND MARKETING AREA**

Type:  Urban  Suburban  Rural Property Values:  Increasing  Stable  Declining

Present Land Use: Built up \_\_\_\_\_% Condominiums \_\_\_\_\_% Apartments \_\_\_\_\_% Commercial \_\_\_\_\_% Industrial \_\_\_\_\_%

Change in Present Land Use:  Not Likely  Likely or  Taking Place From \_\_\_\_\_ to \_\_\_\_\_

Comment, if applicable \_\_\_\_\_

Describe overall property appeal and maintenance level \_\_\_\_\_

Describe any incompatible land uses *(if none, so state)* \_\_\_\_\_

Single Family: Price range \$ \_\_\_\_\_ to \$ \_\_\_\_\_ Predominant \$ \_\_\_\_\_ . Age \_\_\_\_\_ yrs. to \_\_\_\_\_ yrs. Predominant \_\_\_\_\_ yrs.

Apartments: Predominant range in immediate area *(excluding extremes)*

Walk-up

Elevator

Number of units in each building \_\_\_\_\_ units \_\_\_\_\_ units

Age \_\_\_\_\_ years \_\_\_\_\_ years

Height *(number of stories)* \_\_\_\_\_ stories \_\_\_\_\_ stories

Condition \_\_\_\_\_

Rental range by unit type:

Unit Types: \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Comment on any unusual aspects of the above ranges \_\_\_\_\_

Est. neighborhood apartment vacancy rate \_\_\_\_\_%  Decreasing  Stable  Increasing. Rent Levels are  Increasing  Stable  Decreasing.

Describe the unit type(s) by number of bedrooms and rental range that are in the greatest tenant demand \_\_\_\_\_

Describe the unit type(s) by number of bedrooms and rental range that are in oversupply \_\_\_\_\_

Describe potential for additional units in area considering land availability, zoning, utilities, etc. \_\_\_\_\_

Describe the unsatisfied demand for additional units in area by type and rental \_\_\_\_\_

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? \_\_\_\_\_

If yes, specify. \_\_\_\_\_

Item	Distance from Subject Property	Access or Convenience			
		Good	Aver.	Fair	Poor
Public Transportation	_____				
Employment Centers	_____				
Shopping Facilities	_____				
Grammar Schools	_____				
Freeway Access	_____				

Describe any probable changes in the economic base of neighborhood which would either favorably or adversely affect apartment rentals (e.g., employment centers, zoning) \_\_\_\_\_

General comments including either favorable or unfavorable elements not mentioned (e.g., public parks, view, noise, parking congestion) \_\_\_\_\_

### PART G. SITE

Dimensions \_\_\_\_\_ Area \_\_\_\_\_ Sq. Ft. or Acres

Zoning (classification, uses, and densities permitted) \_\_\_\_\_

Present improvements  do  do not conform to zoning regulations

Highest and best use:  Present use  Other (specify) \_\_\_\_\_

Site Improvements:

<input type="checkbox"/> Public Water	<input type="checkbox"/> Private Well	<input type="checkbox"/> Public Sewer	<input type="checkbox"/> Septic Tank	<input type="checkbox"/> Storm Sewer	<input type="checkbox"/> Sidewalk
<input type="checkbox"/> Curb	<input type="checkbox"/> Gutters	<input type="checkbox"/> Alley	<input type="checkbox"/> Street Lights	<input type="checkbox"/> Electricity	<input type="checkbox"/> Gas
<input type="checkbox"/> Underground Electricity & Telephone		<input type="checkbox"/>			

Access By:  Public Street  Private Road Street Surface: \_\_\_\_\_

Maintained By:  Municipality  Private Association (attach summary of Association documents)

Ingress and egress (adequacy and safety) \_\_\_\_\_

Topography, view amenity, lot drainage, flood-condition, slopes, etc. \_\_\_\_\_

Easements or encroachments on site and off site (if any) \_\_\_\_\_

Is the property located within a HUD Identified Special Flood Hazard Area? \_\_\_\_\_

Favorable or unfavorable conditions not mentioned above including any nonconforming use(s) of present improvements. \_\_\_\_\_

Lot sketch showing lot dimensions, distance to nearest corner, and the location of any nearby detrimental conditions.

N



**PART I. COST APPROACH**

LAND VALUE ESTIMATE: *(Include comparable land data if available and appropriate for this appraisal)*

ITEM	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address or Location			
Proximity to subject			
Zoning			
Dimensions or Size			
Shape			
Topography			
Utilities			
Location			
Sale Price			
Date of Sale			
Price per sq. ft. or unit			
Comparison to subject			
Indicated per sq. ft. or per unit value of subject			

Comments and Reconciliation:

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Estimated Land Value: \$ \_\_\_\_\_ per \_\_\_\_\_ or \$ \_\_\_\_\_

**IMPROVEMENTS-ESTIMATED REPRODUCTION COST NEW**

Source of Cost Data: *(Optional)*

_____ Sq. Ft. @ \$ _____	\$ _____
_____ Sq. Ft. @ \$ _____	\$ _____
_____ Sq. Ft. @ \$ _____	\$ _____
_____ Sq. Ft. @ \$ _____	\$ _____
_____ Sq. Ft. @ \$ _____	\$ _____
Carports _____ Sq. Ft. @ \$ _____	\$ _____
Porches, patios, balconies, stairs, etc. _____	\$ _____
Fences, walls _____	\$ _____
Paving, walks and lighting _____	\$ _____
Landscaping _____	\$ _____
Recreational facilities _____	\$ _____
_____	\$ _____
_____	\$ _____
Total Estimated Reproduction Cost New of Improvements _____	\$ _____
Less Total Obsolescence _____	\$ _____
Add Estimated Land Value _____	\$ _____
Indicated Value by the Cost Approach _____	\$ _____
Rounded to _____	\$ _____

Comment, including explanation of obsolescence: \_\_\_\_\_

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**PART J. COMPARABLE RENTAL DATA**

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

ITEM	COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3			
Address												
Proximity to subj.												
Map code												
Date of rental survey												
Brief description of property improvements	No. Units ____ No. Vac. ____ Yr. Blt ____				No. Units ____ No. Vac. ____ Yr. Blt ____				No. Units ____ No. Vac. ____ Yr. Blt ____			
Quality & condition	Quality: ____ Condition: ____				Quality: ____ Condition: ____				Quality: ____ Condition: ____			
Individual unit breakdown	Unit Rm. Count	Size Sq. Ft.	Monthly Rent		Unit Rm. Count	Size Sq. Ft.	Monthly Rent		Unit Rm. Count	Size Sq. Ft.	Monthly Rent	
	Tot. BR b		\$	per sq. ft.	Tot. BR b		\$	per sq. ft.	Tot. BR b		\$	per sq. ft.
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
				¢				¢				¢
Utilities, appliances and amenities included in rent												
Comparison to subject												

General comments (including any rental concessions) if applicable: \_\_\_\_\_

**PART K. MONTHLY RENT SCHEDULE – SUBJECT PROPERTY**

\*Rental schedule is shown by type of units. Scheduled rents are actual rents for an existing property, or projected rents for a proposed or incomplete building.

\*\*Economic rents are forecasted rents to indicate the fair market rental the subject units would command if available for rent on the open market.

No. of Units	Unit Rm. Count	Total Rooms	Sq. Ft. Area Per Unit	No. Units vacant	*SCHEDULE RENTS		**ECONOMIC RENTS			
	Tot. BR b				Per Unit Unfurnished	Total Rents	Per Unit Unfurnished	Total Rents	Per Sq. Ft. or Room	
										\$
	<b>TOTAL</b>					\$		\$		

OTHER MONTHLY INCOME

Parking .....	\$ _____	\$ _____
Laundry Income .....	\$ _____	\$ _____
Commercial Space .....	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
Total Gross Monthly Income .....	\$ _____	\$ _____
Total Gross Annual Income .....	\$ _____	\$ _____

Utilities included in scheduled (actual) rents:     Water    Gas    Heat    Electric    Air Conditioning    \_\_\_\_\_

Utilities included in economic rents:             Water    Gas    Heat    Electric    Air Conditioning    \_\_\_\_\_

If proposed project or project under construction, the rent up time necessary, after completion, to lease 80% of the units at the projected economic rents is estimated to be \_\_\_\_\_ months.

Comments (including any rental concessions in scheduled rents, or anticipated in economic rents; if none, so state) \_\_\_\_\_

**PART L. MARKET APPROACH**

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEMS	SUBJECT				COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3			
	No. of Units	UNIT RM. COUNT			No. of Units	UNIT RM. COUNT			No. of Units	UNIT RM. COUNT			No. of Units	UNIT RM. COUNT		
	Tot.	BR	b	Tot.	BR	b	Tot.	BR	b	Tot.	BR	b	Tot.	BR	b	
Address																
Proximity to subj.																
Map Code																
Lot Size																
Brief description of building improvements	No. Units:___ No. Vac.: ___ Year Built: 19___				No. Units:___ No. Vac.: ___ Year Built: 19___				No. Units:___ No. Vac.: ___ Year Built: 19___				No. Units:___ No. Vac.: ___ Year Built: 19___			
Quality																
Condition																
Recreational facilities																
Parking																
Tenant desirability																
Unit breakdown																
Util. paid by owner																
Data source																
Sale Price	\$ _____				\$ _____				\$ _____				\$ _____			
Date of sale																
Terms (including conditions of sale and financing terms)																

Complete as many of the following items as possible using data effective at time of sale

Gross Annual Income	\$	\$	\$	\$
Gross Ann. Inc. Multi. (1)	%	%	%	%
Net Annual Income	%	%	%	%
Expense Percentage (2)	\$	\$	\$	\$
Overall Cap. Rate (3)				
Price per unit	\$	\$	\$	\$
Price per room	\$	\$	\$	\$
Price gross bldg. area	\$ / sq. ft. bldg. area	\$ / sq. ft. bldg. area	\$ / sq. ft. bldg. area	\$ / sq. ft. bldg. area
COMMENTS				
COMPARISON TO SUBJECT				
VALUE INDICATORS FOR THE SUBJECT PROPERTY	Indicated Gross Income Multiplier _____ X Gross Annual Economic Income \$ _____ \$ _____			
	Indicated Value Per Unit \$ _____ X _____ Units ..... \$ _____			
	Indicated Value Per Room \$ _____ X _____ Rooms ..... \$ _____			
	Indicated Value Per Sq. Ft. of Gross Bldg. Area \$ _____ X _____ sq. ft. Bldg. Area ..... \$ _____			
	Indicated Overall Capitalization Rate ..... %			

(1) Sale Price ÷ Gross Annual Income (2) Total Annual Expenses ÷ Total Gross Annual Income (3) Net Annual Income ÷ Price

RECONCILIATION: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

INDICATED VALUE BY MARKET APPROACH ..... \$ \_\_\_\_\_  
 Rounded to ..... \$ \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**PART M. ANNUAL EXPENSE ANALYSIS**

ITEM	<input type="checkbox"/> ACTUAL 20__	APPRAISER'S FORECAST	APPRAISER'S CALCULATIONS OR COMMENTS	
	<input type="checkbox"/> PROPOSED			
Annual Operational & Maintenance Expenses:				
1. Caretaker .....	\$	\$		
2. Supplies .....			<input type="checkbox"/> Actual <input type="checkbox"/> Est.	Total Assessed Value \$
3. Painting and Decorating ( <i>Interior only</i> ) .....			% of Value	Tax Rate Per \$100 \$
4. General Maintenance and Repairs .....				
5. Grounds Maintenance .....				
6. Services .....				
7. Appliance and Furnishing Replacements .....				
8. Miscellaneous Operating Expenses .....				
9. Sub-total Maintenance & Operating ( <i>Total lines 1 thru 8</i> ) .....				

10.	Electricity .....	\$	\$	
11.	Water .....			
12.	Sewer .....			
13.	Heating fuel/other .....			
14.	Garbage and Trash Removal .....			
15.	Sub-total Utilities (Total lines 10 thru 15) .....			
16.	Manager (Salary _____ ) .....			
	Apt. Allowance _____ ) .....			
17.	Management Fees .....			
18.	Accounting-Auditing .....			
19.	Legal .....			
20.	Other Administrative Expenses .....			
21.	Sub-total Administrative (Total lines 16 thru 20) .....			
22.	Real Estate Taxes .....			
23.	Special Assessments .....			
24.	Other Taxes, Fees and Permits .....			
25.	Sub-total Taxes (Total lines 22 thru 24) .....			
26.	Property Insurance .....			
27.	Compensation .....			
28.	Bond Premiums .....			
29.	Sub-total Insurance (Total lines 26 and 28) .....			
30.	Interest Expense (Other than Rural Development)			
31.	Other Expenses .....			
32.	_____ .....			
33.	_____ .....			
34.	_____ .....			
35.	_____ .....			
36.	_____ .....			
37.	Sub-total Other Expenses (Total lines 30 thru 34)			
38.	TOTAL Operational and Maintenance Expenses (Total lines 9, 15, 21, 25, 29 and 37) .....	\$	\$	

Comments (identify items by number): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**PART N. INCOME APPROACH**

Total Gross Annual Economic Income (See Rent Schedule) .....	\$ _____
Less Forecasted Vacancy and Collection Loss .....	(\$ _____ )
Effective Gross Annual Income .....	\$ _____
Less Forecasted Annual Expenses and Replacement Reserves ( _____ % of Total Gross Annual Economic Income) .....	(\$ _____ )
Net Annual Income from Total Property .....	\$ _____
Less Return on and Recapture of Depreciated Value of Furnishings (\$ _____ @ _____ %)	(\$ _____ )
Net Annual Income from Real Property .....	\$ _____
Detail clearly method and mathematics of capitalizing Net Annual Income from Real Property _____	
_____	
_____	
_____	

INDICATED VALUE BY INCOME APPROACH .....

Rounded to .....

**PART O. RECONCILIATION AND VALUE CONCLUSION**

Indicated Value by the Cost Approach ..... \$ \_\_\_\_\_

Indicated Value by the Market Approach ..... \$ \_\_\_\_\_

Indicated Value by the Income Approach ..... \$ \_\_\_\_\_

FINAL RECONCILIATION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONDITIONS AND REQUIREMENTS OF APPAISAL (include required repairs, replacements, painting, termite inspections, etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VALUATION: This Appraisal is based upon the definition of Market Value, the Certification, the Contingent and Limiting Conditions, and the requirements that are stated in this report

As a result of my investigation and analysis, my estimate of Market Value of the subject property as of \_\_\_\_\_, 20\_\_ is

\$ \_\_\_\_\_

Date \_\_\_\_\_ Appraiser \_\_\_\_\_

*If applicable, complete the following:*

Date \_\_\_\_\_ Appraiser \_\_\_\_\_

Date \_\_\_\_\_  Supervising or  Review Appraiser \_\_\_\_\_  
 Did  Did not physically inspect property

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in this Appraisal Report is subject to the following condition and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this Appraisal with reference to the property in question, unless arrangements have been previously made therefor.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other Appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in this report, were obtained from sources considered reliable believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of this Appraisal report is governed by the By-laws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof (including conclusions as to property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations) shall be used for any purposes by anyone but the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department agency, or instrumentality of the United States or of any State or of the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all Appraisals involving proposed construction, the Appraisal Report and value conclusion are contingent upon completion of the proposed improvements in accordance with the plans and specifications prepared by \_\_\_\_\_ with a last revision date of \_\_\_\_\_ which have been initialed and dated by the Appraiser.